INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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| | | Poland's desi | res to become | |
| | a member of GATT and Poland's discussion of the sub- | | | |
| | ject with the GATT Secretariat | in February, April | and December | |
| | 1958. | | | |
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On the situation of Polish talks with GATT after the XXIII session of GATT (December 1958)

Although Poland had not formally announce its candidature at the GATT meeting, both during the talks with the GATT Deputy Executive Secretary in Warsaw in February 1958 as well as during the Inter-Session Committee meeting in April 1958 in Geneva, our representatives declared Poland's interest in joining as a full member of GATT.

The desire to join GATT has as its aim the attainment of economic Benefits, but if they cannot be obtained there is no sense in our joining. We can be assured such benefits by becoming a full member of GATT which would assure us the benefits of the most favored nations clause concerning tariffs, import quotas and the means of regulating international turnovers.

Regarding Poland's expressed desire for joining GATT, the governments of member nations forwarded to the GATT Secratariat several questions addressed to Poland for the purpose of explaining what sort of equivalent the GATT member nations could expect in exchange for granting Poland GATT benefits, taking into consideration the existing foreign trade monopoly system in Poland and the fact that it does not use the customs tariff as an instrument of regulating goods turnovers with other countries. In enswer to these questions Poland presented exhaustive answers which declared that as a basic form of equilarent Poland suggested the assumption of certain import obligations with relation to GATT members. The GATT Secratariat sent the Polish answer to member nations. They were not discussed at the GATT meeting and until now we have not received any official reaction.

At the XIII GATT session held this year we wanted broach the subject of our membership formally but we found out that a majority of the GATT members including the United States and Great Britain were negatively



disposed toward our becoming: - at least at the present - a full member of GATT. Besides the economic arguments used by them (among others, protecting themselves against difficulties resulting from the different trade systems [some kines have been cut out here]) political. The Americans are especially worried about the fact that the acceptance of Poland can constitute an inconvenient precedent since in the event of a "harder" policy on our part it would be difficult to withdraw the concessions granted by the agreement (Gzechoslovak membership in GATT is considered a historical relic - Czechoslovakia is one of the establishing members of GATT - which cannot be considered as a precedent). The English do not want to aggravate their relations with Australia, New Zealand and Denmark due to the abolition of import quotas once we became a full member of GATT. Under such circumstances we did not present our formal request, despite certain preparations, for membership in GATT.

The GATT Secretariat and certain delegations suggested that we become an associated member as a temporary solution. It is almost certain that such membership will not guarantee the privileges of the most favored nation clause. The CATT statute does not provide for such membership and up until now there has been no appropriate precedent set. Actually Yugoslavia has made a formal request to be accepted as an associated member but a special group of experts established just for this purpose has not yet determined the conditions for such membership.

During the XIII GATT session our representatives did not take any stand on the matter of eventually joining GATT as an associated member. We will probably have to make a decision before the XIV session of GATT which will take place in May of the coming year, supposedly, after finding out how the Yugoslav question was solved.

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